FORM MR-AR (Revised 12/2011)

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210 Box 145801

Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291

Fax: (801) 359-3940

FEB U 1 2012

DIV. OF OIL, GAS & MINING

SMALL MINING OPERATIONS PROGRESS REPORT January 1, 20 / to December 31, 20 /

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program. The report is due January 31 each year.

| 1. | Mine Permit Number: 5230106 |
|----------------|---|
| 2. | Mine Name: Blackiack Clay Mine |
| 3. | Name of Operator/Permittee: Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention together with form MR-REV available on the Division's web page at https://fs.ogm.utah.gov/pub/MINES/Minerals Related/FORMS/MR-REV-SMO EXP.pdf. |
| 4. | Report the gross amount of ore mined and waste moved. |
| | Gross Ore Mined 4003. Gross, or ——vd3 |
| | Gross Ore Mined 4003.8 ons, or ——yd ³ Waste Material Moved Tons, or ——yd ³ |
| 5. | New disturbance created during the year |
| | Area reclaimed during the year Acres |
| | Total Disturbed Area at the end of the year Acres* |
| | *The total disturbed area should not be greater than the permitted/bonded acreage. |
| 6. | Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. |
| | None |
| | |
| | reby certify the information provided in this report is true and correct to the best of my |
| knowledge a | nd belief. |
| | Name (Typed or Print): Soonst Hansen, President |
| | Title of Operator: Northstar/ Clay Mines, Inc |
| | Signature of Operator: |
| | Date: 128 7012 |
| b | Variable, Evit |
| D:\FORMS\repor | ts\MR-AR-SMO2011.doc |
| | |